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Vietnam:

South Vietnam: Over the weekend the relatively low level of Communist military activity was punctuated by sporadic shellings and ground combat.

In the central coastal area, Nha Trang airbase, which was turned over to South Vietnamese control this weekend, was the target of two enemy shellings on 11 and 12 October resulting in four South Vietnamese killed and 17 wounded. An enemy mortar bombardment of a training center north of Nha Trang killed 11 South Vietnamese soldiers and wounded 28 others. Enemy gunners also attacked the South Vietnamese in the Demilitarized Zone area. Several significant ground engagements between South Vietnamese and Communist troops took place in the delta provinces southwest of Saigon.

The recent enemy attack patterns reinforce other indications that Communist strategy has recently shifted from coordinated countrywide "high points" to localized actions planned and executed separately in various sections of the country. New surges of hostilities are probably being planned by enemy forces in other areas of South Vietnam.

North Vietnam: Premier Pham Van Dong will begin a visit to the Soviet Union today.

Dong will be accompanied to the USSR by politburo member and economic affairs expert Le Thanh Nghi, according to an earlier announcement from Hanoi. They probably will negotiate new aid agreements with the Soviets as well as discuss the Paris talks and the war. Dong is believed to be one of Hanoi's key negotiating strategists. His extended visit to Moscow is probably also designed to underscore the new leadership's determination to strike a balance in its relations with China and the USSR.

Dong's current trip abroad began with attendance at China's National Day festivities on 1 October. He then briefly passed through Moscow en route to East Germany's National Day celebrations, and has been touring in East Germany.

(Map)

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Egypt-Israel: President Nasir has publicly vetoed Egyptian participation in any Rhodes-type peace negotiations with Israel.

There were earlier indications that Egypt was looking with some favor on discussions using the Rhodes formula that had brought about the armistice agreement reached between the parties in 1949. Under this format direct talks would be held between the parties in the presence of the UN mediator and indirect negotiations would be conducted by a mediator acting as a channel of communication. The plan would have allowed the Israelis, who desire face-to-face talks, to publicize this aspect of the discussions, while the Arabs, who oppose any meetings as long as Israel occupies Arab territory, could have billed the talks as indirect.

It is unclear what is behind this apparent reversal of policy in Cairo. In part, Nasir may be trying to quiet public discussion of the problem in order not to complicate the diplomatic maneuvering. He may also be responding to internal political problems or pressure from Palestinian groups that are strongly opposed to such talks. Yet another reason for his veto might be the heavy current Israeli publicity favoring the direct aspects of the Rhodes meetings.



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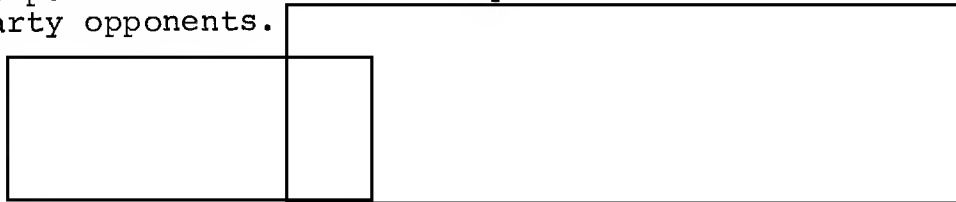
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India: The struggle for control of the Congress Party has once again broken into the open.

Less than two months after its ruling Congress working committee had adopted a "unity resolution," the Congress Party appears headed for another showdown between Prime Minister Gandhi and her old-guard opponents. In the last round, fought in July and August over election of India's new president, Mrs. Gandhi routed her foes.

The current crisis was precipitated by an open letter from Mrs. Gandhi and five of her associates on the working committee to Congress Party president Nijalingappa, charging him with "arbitrarily" removing some of the prime minister's supporters from positions of power within the party. Nijalingappa responded that he had not yet acted to force Mrs. Gandhi's allies from their positions but implied that he intended to do so.

Mrs. Gandhi and her followers apparently intend to move against their opponents at the next meeting of the working committee, scheduled for 30 October. Presumably the prime minister believes that she now has the support of a majority within this body. A noteworthy addition to her forces for the coming contest is the politically powerful home minister, Y. B. Chavan, who joined Mrs. Gandhi in signing the letter to Nijalingappa. Chavan opposed Mrs. Gandhi during the presidential race, but subsequently acted as peace-maker between the prime minister and her party opponents.



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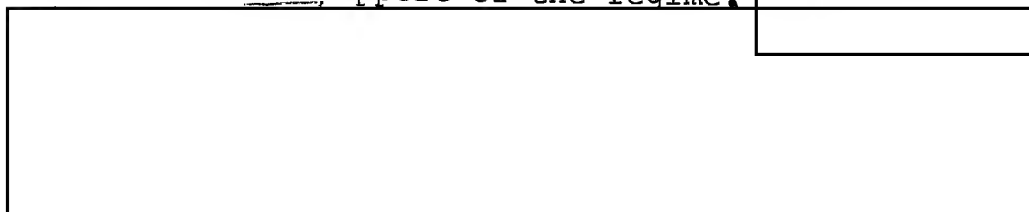
Sudan: [The ruling Revolutionary Command Council (RCC) in Khartoum may soon force the resignation of Prime Minister Awadallah.]

[The RCC apparently is irritated by Awadallah's public insistence that Communists are necessary for the advancement of the revolution, and at Awadallah's recent "impolite" speech at the UN in which he was extremely critical of US policy in the Middle East.]

[From the onset of its rule last May, the military clique has branded its economic policies as "socialist," but has carefully avoided giving its political coloration any label. The RCC adopted this expedient to guard against adverse reaction from the largely conservative population over the presence of a dozen or more alleged Communists in the civilian cabinet and within the RCC itself.]

[Earlier reports had suggested that there was a deepening split between the pro-Egyptian nationalist elements and the Communists in the government and in the military.]

[] cabinet changes in the offing would include the removal of the Communist ministers. The ousting of the Communists would meet one of the demands being made by traditional political forces as a prerequisite for their support of the regime.]



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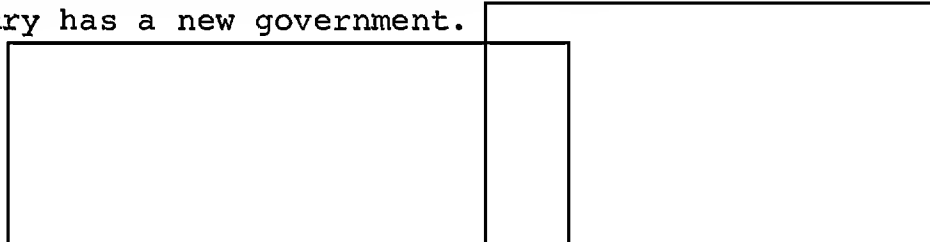
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Bolivia: President Ovando said in a press conference on 9 October that Bolivia would accept Cuba back into the Organization of American States (OAS).

This is the first time that the head of any Latin American country has made such a positive statement since Cuba was expelled from the OAS in 1964. Ovando explained that Bolivia respects national self-determination and that the Cuban people's demonstrated approval of Castro is sufficient reason for readmission to the organization. Ovando's logic is a natural outgrowth of his own attempts to obtain international recognition after overthrowing the Bolivian Government last month.

Ovando did not say specifically whether Bolivia would re-establish diplomatic relations with Cuba. He pointed out that "until recently" Cuba has interfered in Bolivian internal affairs, but expressed hope that such interference would cease now that his country has a new government.



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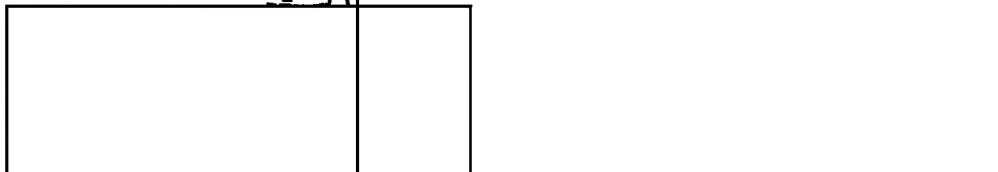
Chile: [President Frei considers the Chilean military's "confrontation" with his government to be well in hand, but discontent still exists.]

[Frei has ordered that loans be made immediately to all armed forces personnel from military pension funds, which will be increased by a government contribution of nearly half the cash necessary for the loans. The loans will range from about \$35 for enlisted men to \$91 for officers. Neither the army chief of staff nor younger officers consider this move an adequate response to growing demands for military pay increases. The Communist Party newspaper called them "a miserable bone thrown to the glorious armed forces."]

[The President himself, according to army leaks, ordered the retirement of six officers whose contingents demonstrated their discontent over low military pay by deliberately arriving late for an Independence Day religious ceremony.]

[] charges of involvement with "subversive" groups were brought against 50 officers during last week's annual consideration of promotions and assignments by top generals. Army personnel have now been warned to avoid such groups, which allegedly represent leftist, rightist, and government party political interests, or to be prepared to resign. At the same meeting, several generals discussed conditions in the army that must be improved promptly to avoid trouble in the coming year.]

[President Frei evidently will soon name one of his most reliable civilian associates minister of defense and will increase his efforts to modernize military equipment in order to ease restlessness among the military.]



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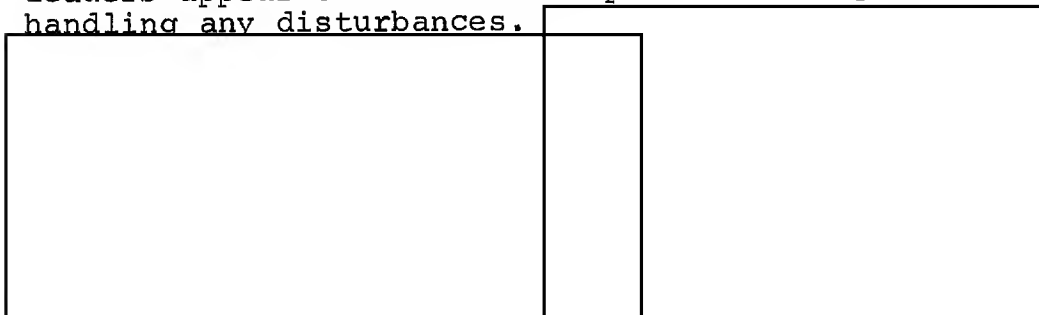
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Surinam: No party will be able to win a majority in the elections scheduled for 24 October, and another coalition government appears almost certain.

The elections will mark the end of the nine-month interim government headed by Arthur May that took over after labor unrest and cabinet dissension toppled the administration of Johan Pengel. The United Hindu Party and the National Progressive Party seem to be in the strongest position between them to win enough seats to form a ruling coalition. These two parties now control 14 of the 39-seat Statten and stand to gain others from the Surinam National Party because of widespread dissatisfaction over its performance and the well-known corruption of its leadership. Former minister-president Pengel is expected to lead the National Party in forming a strong opposition, however.

The incoming administration will be faced with important decisions regarding independence, the border dispute with Guyana, and the direction the country will take in solving other problems such as unemployment and the development of resources.

No major disturbances are expected, but racial tensions might produce isolated incidents. Local leaders appear confident that police are capable of handling any disturbances.



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Libya: Public criticism of the military regime has begun to appear.

Despite stringent press controls, the editor of a Benghazi daily recently took the new government to task for its failure to adopt clear and definitive policies. He pointed out the need for positive and basic decisions that would help restore life in Libya to normal.

Almost simultaneously, a leaflet was clandestinely distributed in the Cyrenaican city of Benghazi accusing the Revolutionary Command Council of seeking to establish an autocratic military government. The leaflet called upon Cyrenaicans, the traditional supporters of the monarchy, to demand the establishment of free and independent political institutions.

This criticism may have the support of educated middle class Libyans who have been frozen out of political life, and believe the junta needs their professional administrative skills. They may hope they will be able to pressure the junta into sharing its political power. The military is unlikely to surrender its direction of government affairs, however, and if the criticism continues it may adopt repressive measures.



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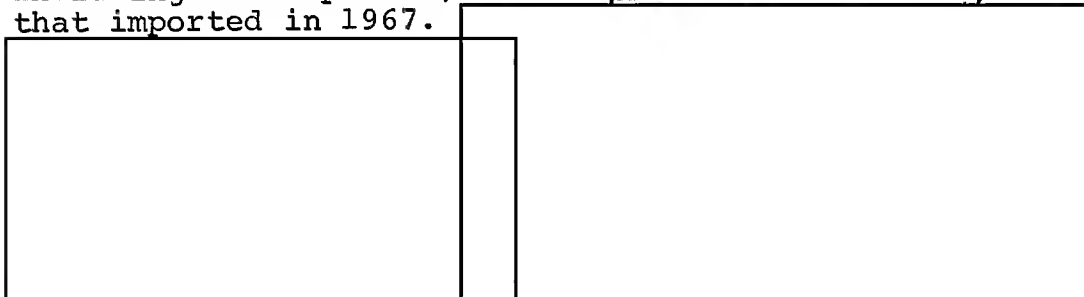
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North Korea - Western Europe: Pyongyang is making some progress in establishing new trade offices in Western Europe.

Switzerland has indicated it will allow North Korea to open a small semi-official trade office in Zurich. The Koreans also are expected to re-establish a trade mission in Vienna after an Austrian - North Korean trade agreement is signed later this month. Pyongyang has approached both Finland and Italy, but their reaction is not yet known. The Koreans have had an unofficial trade mission in Paris since 1968.

Pyongyang's endeavors are partly aimed at changing its international image, but North Korea also is anxious to have operating bases in Western Europe that will facilitate commercial negotiations. With the drying up of significant Communist grants over the past eight years, purchases of Western industrial goods have become more important to North Korean economic expansion.

Although credit restrictions limit North Korean purchases in Western Europe, Pyongyang has turned increasingly to the West for pharmaceutical plants, ocean vessels, electric power equipment, machine tools, and light industrial plants. Pyongyang is presently negotiating with several West European firms for petrochemical plants. In 1968 imports from the industrial West of machinery and equipment, including whole plants, totaled \$13 million, double that imported in 1967.



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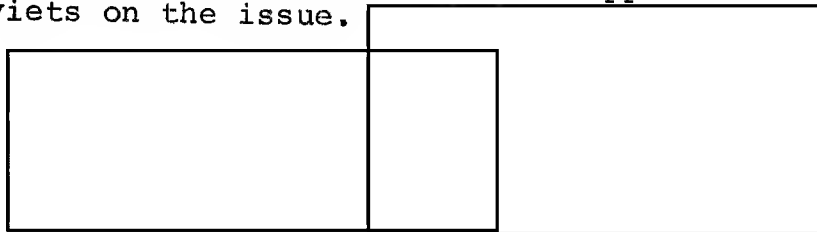
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East Germany: Pankow's barring of some Western correspondents from East Berlin may be both pressure on the newsmen to present a better image of East Germany and a reflection of Pankow's sensitivity to antiregime incidents during last week's anniversary celebrations.

In separate incidents one American and a British journalist were turned back by East German border authorities on 7 October. The American, who wrote a rather candid article about party chief Ulbricht several months ago, was told his presence in East Berlin was "undesired." He was again refused entry the next day and believes the article may have been the reason.

American journalists who attended a reception in East Berlin on 8 October were told by an East German Foreign Ministry press official that Western journalists would have to write in a manner acceptable to Pankow if they wished to be allowed to travel in East Germany and East Berlin. The East Germans attempted similar coercion following the Czechoslovak crisis last year, hoping to prevent Western reporting of pro-Dubcek demonstrations. They lifted the ban after the Allies approached the Soviets on the issue.



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Bulgaria: Party boss Todor Zhivkov has gone out of his way to show that he has views of his own on such questions as the Sino-Soviet dispute and relations among the Balkan nations.

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Zhivkov spoke frankly on Soviet relations with China. He said that the crisis had eased and there would be no war; he predicted that political relations would improve greatly in the next five years.

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Zhivkov evidently took a soft line on Czechoslovakia, emphasizing that Bulgaria's participation in the intervention was limited to one battalion. While giving due recognition to the inability of the Czechoslovak leaders to control the situation at that time, he called them "well meaning, honest Communists."

On relations closer to home, Zhivkov discounted the idea that conflict could arise from frictions with Yugoslavia over Macedonia. He spoke in a disparaging manner of Romania's Ceausescu, describing him as an egoist, but characterized relations with the Romanian people as very good. Concerning his non-Communist neighbors, Zhivkov emphasized Bulgaria's special efforts to build good relations with Turkey and Greece.

Such candid remarks

probably are part of a renewed effort by Zhivkov to establish an image as a responsible member of the international community who is not totally in Moscow's shadow.

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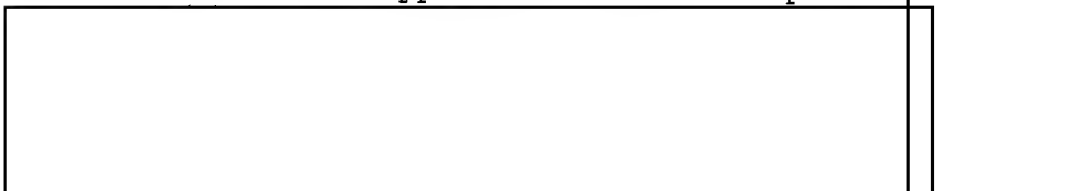
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Yugoslavia: Teodor Olic has been appointed chief of the Yugoslav news agency Tanyug, replacing Momcilo Pudar, who was forced to resign last June.

Pudar got into trouble when he allowed publication of a sharply worded dispatch citing the reasons why Yugoslavia would not attend the International Communist Conference in Moscow. The article accurately reflected the party's position, but it appeared at a time when Belgrade was trying to patch up its differences with Moscow. Subsequently, the party issued a statement calling the dispatch unofficial.

Little is known about Olic. At one time he worked for Rad, the trade union newspaper, and he was editor of the Tanyug's foreign language news desk before he was appointed to his new post.



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